

STATE OF WASHINGTON
OFFICE OF THE INSURANCE COMMISSIONER

In The Matter of

James Allen Dennis,

Licensee.

ORDER NO. 15-0176

WAOIC NO. 802933
NPN 16532033

ORDER REVOKING LICENSE

To: James Dennis
44550 SE 144th St
North Bend, WA 98045

jdennis@insphereis.com
jdennis@gmail.com

IT IS ORDERED AND YOU ARE HEREBY NOTIFIED that your Washington State insurance producer's license is **REVOKED**, effective **August 4, 2015**, pursuant to RCW 48.17.530.

BASIS:

1. James Dennis ("the Licensee") is a Washington resident insurance producer who was first licensed in 2012.

2. In April 2014, an insurance company notified the Insurance Commissioner that the company terminated the Licensee's appointments for fraud. Investigation revealed that approximately 40 insurance applications the Licensee submitted to the insurance company contained materially false information, including invalid bank account numbers, birth dates, email addresses, and physical addresses, among other things. Further, the Licensee caused funds to be withdrawn from at least one individual's bank account to pay an insurance premium of another individual without the bank account owner's knowledge or consent. At least six individuals to whom the Licensee purportedly sold insurance policies indicated that they did not

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Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

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know the Licensee or purchase insurance from him. The Licensee was unable to substantiate the purported sales he made, in part because he recycled his computer that allegedly stored the information. For his purported sales, the insurance company paid the Licensee advance commissions of \$41,624.

3. In July 2015, the Insurance Commissioner received a complaint against Dennis alleging that he submitted two false annuities without the proposed insured's knowledge or consent. Investigation revealed that the Licensee initially submitted an application for an \$8,000,000 annuity to an insurance marketing organization. The Licensee claimed that the annuity client had two different names, one foreign legal name and another legal name in the United States. The Licensee used the purported foreign name on the annuity application materials. In fact, both names correspond to two different individuals to whom the Licensee sold or attempted to sell insurance products. The marketing organization rejected the annuity application and told the Licensee that he would need to submit two \$4,000,000 annuity applications instead. The Licensee subsequently submitted two false \$4,000,000 annuity applications along with a 1099 form, a falsified \$4,000,000 check, and a checking account ledger. The annuity transactions were never finalized. The Licensee stood to earn \$69,870 in commissions on each of the \$4,000,000 transactions.

4. When questioned, the Licensee initially provided to the Insurance Commissioner inconsistent accounts of the events that led to the false annuity applications and check. Eventually, the Licensee confessed the \$8,000,000 policy was fabricated, and that he falsified the two annuity applications and \$4,000,000 check.

5. RCW 48.17.530(1)(b) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an insurance producer's license or levy a civil penalty for violating any insurance laws, or violating any rule, subpoena, or order of the Insurance Commissioner or of another state's insurance commissioner.

6. RCW 48.17.530(1)(d) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business. By engaging in the conduct discussed above, the Licensee violated

RCW 48.17.530(1)(d), justifying license revocation.

7. RCW 48.17.530(1)(e) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance. By engaging in the conduct discussed above, the Licensee violated RCW 48.17.530(1)(e), justifying license revocation.

8. RCW 48.17.530(1)(g) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for having admitted or been found to have committed any insurance unfair trade practice or fraud. By engaging in the conduct discussed above, the Licensee violated RCW 48.17.530(1)(g), justifying license revocation.

9. RCW 48.17.530(1)(h) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere. By engaging in the conduct discussed above, the Licensee violated RCW 48.17.530(1)(h), justifying license revocation.

10. RCW 48.17.530(1)(j) allows the Insurance Commissioner to place on probation, suspend, revoke, or refuse to issue or renew an adjuster's license, an insurance producer's license, a title insurance agent's license, or any surplus line broker's license for forging another's name to an application for insurance or to any document related to an insurance transaction. By engaging in the conduct discussed above, the Licensee violated RCW 48.17.530(1)(j), justifying license revocation.

11. RCW 48.18.060 provides that a life insurance contract upon an individual may not be made or take effect unless at the time the contract is made the individual insured applies for or consents to the contract in writing. By engaging in the conduct discussed above, the Licensee violated RCW 48.18.060, justifying license revocation.

12. RCW 48.30.010(1) provides that no person engaged in the business of insurance

shall engage in unfair methods of competition or in unfair or deceptive acts or practices in the conduct of such business. By engaging in the conduct discussed above, the Licensee violated RCW 48.30.010(1), justifying license revocation.

13. RCW 48.30.040 provides that no person shall knowingly make any false, deceptive or misleading representation in the conduct of the business of insurance. By engaging in the conduct discussed above, the Licensee violated RCW 48.30.040, justifying license revocation.

14. RCW 48.30.210 authorizes the Commissioner to revoke the license of any person who knowingly makes a false or misleading statement or impersonation, or who willfully fails to reveal a material fact, in or relative to an application for insurance to an insurer. By engaging in the conduct discussed above, the Licensee violated RCW 48.30.210, justifying license revocation.

IT IS FURTHER ORDERED that you return your insurance producer's license certificate to the Insurance Commissioner on or before the effective date of the revocation of your license, as required by RCW 48.17.530(4). Return your license to:

Licensing Manager
Office of the Insurance Commissioner
P. O. Box 40257
Olympia, WA 98504-0257

ENTERED at Tumwater, Washington, this 17th day of July, 2015.



MIKE KREIDLER
Insurance Commissioner

By and through his designee



Drew Stillman
Insurance Enforcement Specialist
Legal Affairs Division

NOTICE OF YOUR RIGHT TO A HEARING

If you are aggrieved by this Order Revoking License, RCW 48.04.010 permits you to demand a hearing. You must demand a hearing in writing within 90 days after the date of this Order Revoking License, which is the day it was mailed to you, or you will waive your right to a hearing.

If the Insurance Commissioner receives your demand for a hearing before the effective date listed on the order revoking your license, the revocation will be automatically stayed (postponed) and your license will remain in effect pending the hearing.

Your demand for a hearing should be sent to the following address and must briefly state how you are harmed by this decision and why you disagree with it:

Hearings Unit
Office of the Insurance Commissioner
PO Box 40255
Olympia, WA 98504-0255

You will be notified of the time and place of your hearing. If you have questions about filing a demand for hearing or the hearing process, please telephone the Hearings Unit at (360) 725-7002 or send an email to Hearings@oic.wa.gov.

CERTIFICATE OF MAILING

The undersigned certifies under the penalty of perjury under the laws of the state of Washington that I am now and at all times herein mentioned, a citizen of the United States, a resident of the state of Washington, over the age of eighteen years, not a party to or interested in the above-entitled action, and competent to be a witness herein.

On the date given below I caused to be served the foregoing ORDER REVOKING LICENSE on the following individual by depositing in the U.S. mail via state Consolidated Mail Service with proper postage affixed to:

James Dennis
44550 SE 144th St
North Bend, WA 98045

jdennis@insphereis.com
jdennis@gmail.com

Dated this 17th day of July, 2015, in Tumwater, Washington.



JOSH PACE
Secretary Senior
Legal Affairs Division